

2nd Annual Securitisations in Russia & CIS Conference



DMITRI MOSOLOV, HOME CREDIT & FINANCE BANK

**FIRST CREDIT CARD RECEIVABLES
SECURITISATION IN RUSSIA**



2nd Annual Securitisation in Russia & CIS Conference



February 2008

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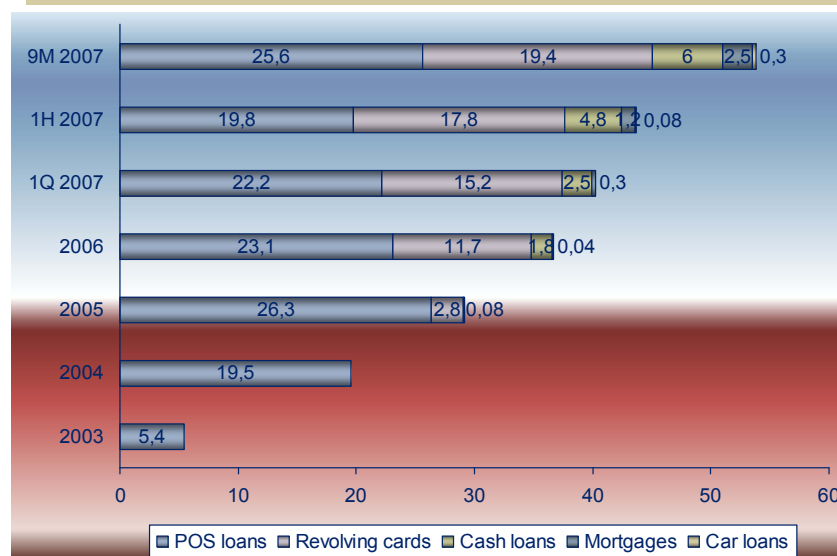
HCFB: STABLE LEADING POSITION IN RUSSIAN BANKING SECTOR

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- **Leading position** in POS and Credit Card segments
- **Major products:** POS loans, revolving credit cards, cash loans, mortgages (from Dec 2006), car loans (from 1H 2007)
- Client relationship with **cca 12 mln** customers
- **Extensive network** of 81 representative offices, 58 loan offices, 26, 865 POS and over 1500 Post Offices across the country
- **International Ratings:** Ba3 by Moody's (affirmed in October 2007) and B+ by S&P (upgraded in May 2007). Outlook - stable

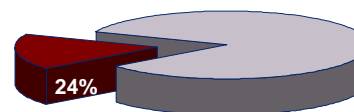
- Member of the Home Credit Group ('HCG'), which operates in consumer finance markets in the Czech Republic, Slovakia, the Russian Federation, Ukraine, Kazakhstan and Belarus. Recently, the Group has also entered consumer finance markets in China (December 2007) and Vietnam (via PPF rep offices)
- HCG is a member of PPF Group, a leading diversified financial group in CEE, managing assets of over EUR 8.7 bln as of half-year 2007

Gross Loan Book, RUB53,9 bln

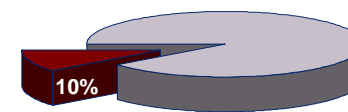


Strong market position

POS Segment



Revolving Credit Cards Segment



Source: HCFB estimates

* As of 30 September 2007



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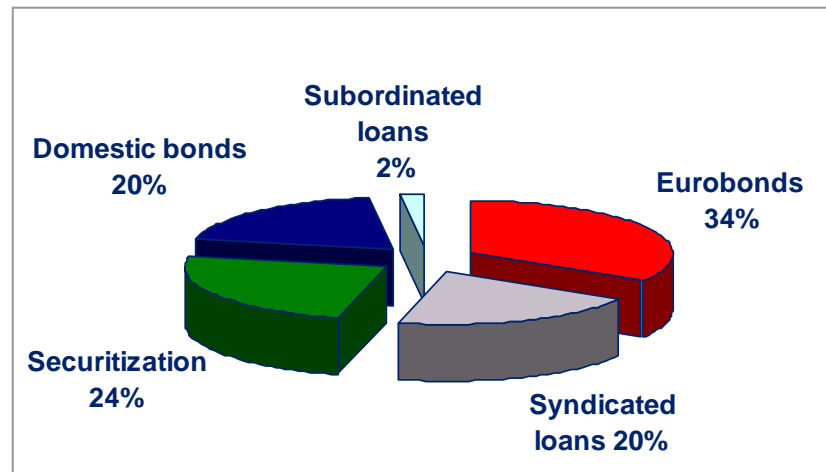
HCFB FUNDING BASE

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HCFB Funding Strategy

- Funding strategy supported by the HCG/PPF Group and based on long-term relationships
- Ability to adapt and implement best capital markets practice
- Committed to further diversification in markets, facilities and newly also maturity
- Future retail deposits funding strategy planned (*pilot project – December 2007*)
- Prudent assets & liabilities management

Well Diversified Funding Base*



ACTIVE FUNDING PROGRAMME FOR 2008

- Close monitoring of financial markets to identify window opportunity ensuring efficient funding for a given currency and maturity
- Focus on funding diversification in terms of markets, facilities and for the first time also maturity to limit dependency on any single market or facility or investor group



* As of 30 November 2007

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WHY SECURITISE CREDIT CARDS?

ASSET-BACKED SECURITISATION IS STRATEGICALLY IMPORTANT SOURCE OF FUNDING FOR HCFB

HCFB funding strategy is based on diversification of funding sources and instruments

Access to the funding expertise of HCG and PPF Group companies

HCG is well experienced in ABS markets:

- 2003 - 2004, Home Credit Czech Republic first ever CEE revolving loans (credit card) securitisation in the total nominal amount of approx. CZK 4.15bln extended in 2006 for approx. CZK 4.8 bln
- 2005, HCFB first ever rouble denominated securitisation of consumer loans (POS-loans) in the nominal amount of EUR 126.5 mln
- 2007, HCFB first ever credit card securitization of approx. RUB 8.2 bln

Credit cards – growing class of HCFB assets

Securitisation - key objectives for HCFB:

- Raising longer-term funding via innovative structures at competitive costs
- Flexible structure of transaction
- Certainty of getting funds in a timely manner to finance rapidly growing asset class
- Further diversification of HCFB funding sources
- Increase efficiency in matching of Bank's assets and liabilities

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ASSET CLASS PROFILE

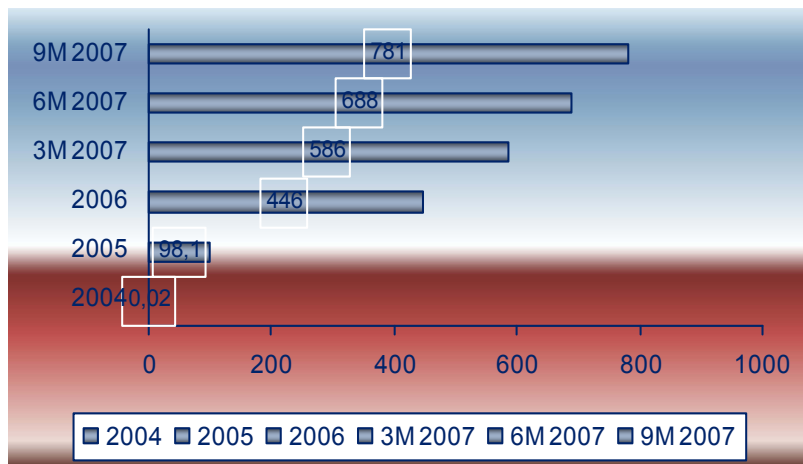
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REVOLVING CREDIT CARDS – KEY DRIVER FOR FUTURE GROWTH

Sizable credit card portfolio with track-record

- Over 3 years of market experience
- Credit cards portfolio – RUB 19.4 bln (USD 781 mn)*
- 36% of Gross loan book share*
- Credit cards issued – 6.4 mln pcs*
- Cards activated – 1.3 mln*
- Second largest player in the Russian credit card market with 10% market share

Significant growth potential, Card Portfolio USD 781 mn



Product characteristics

- Allowing for non-cash payments and cash withdrawals, both in Russia and abroad
- Minimum monthly payment of 5% of the credit limit
- Credit insurance option - monthly insurance 0.77% of the outstanding balance
- Cross-selling to existing customers with positive credit history
 - Offered to 18 - 50 years old
 - Tenor – 36 month
 - Interest rate – 19%
 - Monthly maintenance fee – 1.5%
 - Credit limits of up to US\$ 1,500
 - Interest-free period – 30 days from the date of the card's activation
 - Cash withdrawal fee RUB 144 for transactions higher than RUB 5,000 – free of charge
 - Average effective interest rate 41.8% p.a. (*)

Revolving credit cards – focus on targeted communication throughout the customer life cycle



* As of 30 September 2007

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TRANSACTION SUMMARY

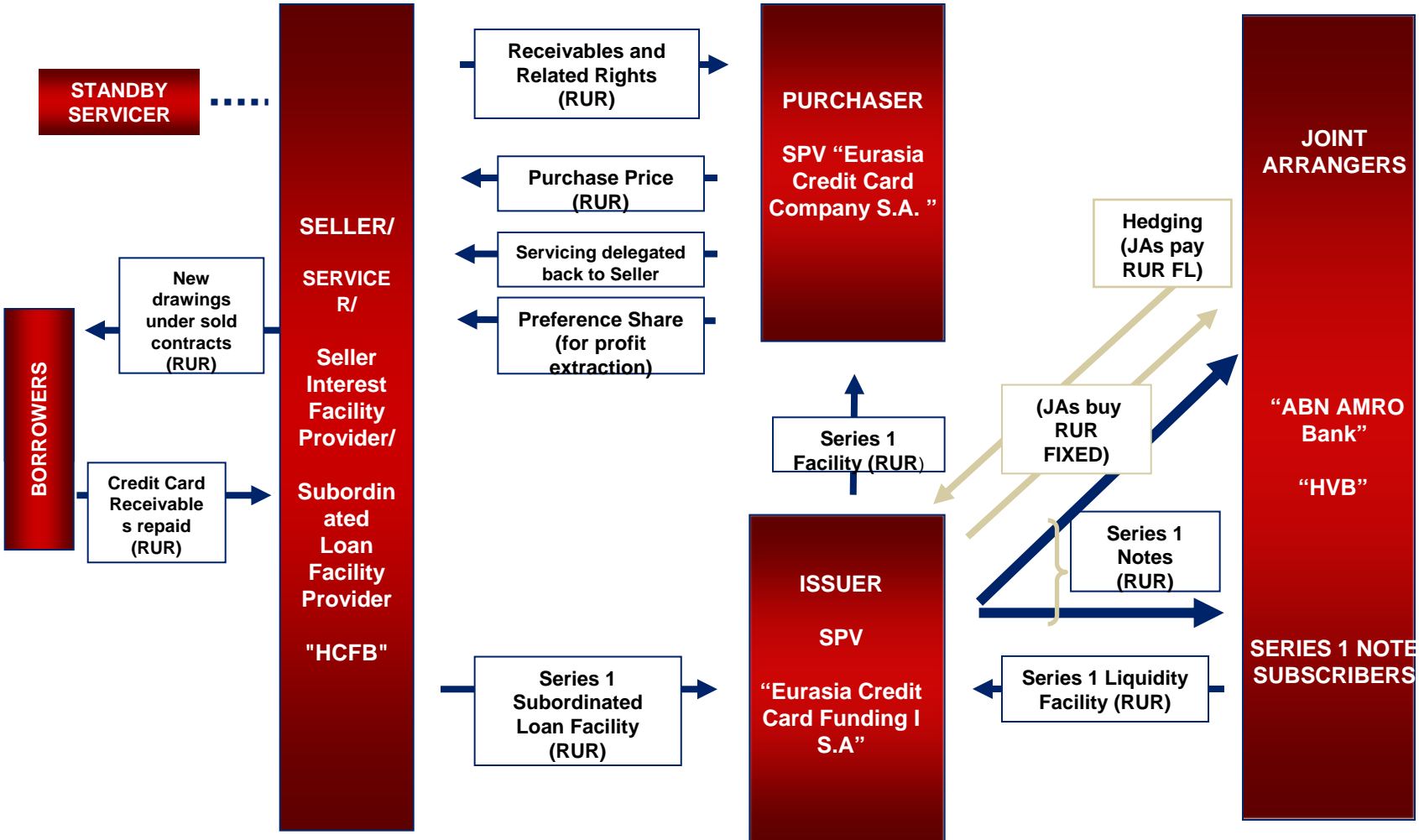
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Senior notes	<ul style="list-style-type: none">▪ RUB 8.2 bln
Maturity	<ul style="list-style-type: none">▪ Legal maturity - 2014
Issuer	<ul style="list-style-type: none">▪ Eurasia Credit Card Funding I, SA
Seller, Originator, Servicer	<ul style="list-style-type: none">▪ Home Credit & Finance Bank
Senior Notes Rating	<ul style="list-style-type: none">▪ Baa2 by Moody's
Structure type	<ul style="list-style-type: none">▪ Non-public; True Sale/Master trust
Currency	<ul style="list-style-type: none">▪ RUB denominated
Joint Arrangers	<ul style="list-style-type: none">▪ ABN AMRO Bank and UniCredit (HVB)
Legal Advisors	<ul style="list-style-type: none">▪ Baker&McKenzie and Freshfields Bruckhaus Deringer
Tax Advisors	<ul style="list-style-type: none">▪ PriceWaterHouse Coopers

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TRANSACTION STRUCTURE

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KEY STAGES OF TRANSACTION



FEASIBILITY STUDY AND STRUCTURING

- Key parameters of the transaction structure were defined in accordance with HCFB requirements and based on international experience and local specifics
- Key issues solved to address Russian and Luxemburg tax & legal requirements
- Strong team created to move transaction forward

EXECUTION

- Transaction structure fine-tuned
- Extensive transaction documentation completed
- Company's systems and operational processes adjusted to meet all necessary requirements
- Transaction specifics adjusted to meet various external requirements (Russian and Luxemburg authorities, Rating agency, etc.)
- Hedging arrangements put in place

Closing of the deal was achieved on time and within planned budget



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INNOVATION AND EXPERIENCE

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Traditional master trust structure for credit cards was combined with a technology build on earlier consumer loan securitisation for optimal balance between operational and commercial requirements

TECHNOLOGY AND EXPERIENCE

Master Structure of the deal allows not only select different funding sources but also delivery economies of scale as subsequent issuances can be structured with much lower establishment costs

FLEXIBILITY

The transaction used a sophisticated sale mechanics which was structured under Russian law to sell credit card receivables generated under credit card agreements entered with HCFB customers

SOPHISTICATED SALE MECHANICS

The sale mechanics is combined with a complex funding structure allowing for the multiple issuances of different series of notes to various investors

COMPLEX FUNDING STRUCTURE

Flexibility of transaction structure allowed HCFB successfully closed first-ever securitisation of a credit card receivables portfolio in Russia



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SUMMARY

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**FIRST TRUE SALE DEAL OF CREDIT CARD RECEIVABLES
SECURITISATION IN RUSSIA**

**SUCCESSFULLY CLOSED IN LINE WITH TIME SCHEDULE AND
PLANNED BUDGET**



INNOVATIVE AND COMPLEX DEAL



**FLEXIBLE STRUCTURE WITH TIMING TO SUPPORT BANK
LIQUIDITY POSITION UNDER TURBULENT MARKET CONDITIONS IN
Q3/Q4 2007**



**SUBSTANTIAL SAVINGS IN COSTS OF FUNDING COMPARED TO
UNSECURED DEBT**



**SUPPORTS HCFB FUNDING STRATEGY TO DIVERSIFY FUNDING
SOURCES**



**HIGHLY EXPERIENCED AND PROFESSIONAL TEAM TO DELIVER
THE SUCCESS OF THE TRANSACTION**



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CONTACT INFORMATION

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MARKETA MUHLHOFFEROVA
Head of Investor Relations
PPF Group
Tel: +420 224 559 174
E-mail: muhlhoferova@ppf.cz

ALENA ZHELTOVA
Deputy Head of Corporate Finance/Investor Relations
Home Credit & Finance Bank
Tel: + 7 495 514 1017
E-mail: alena.zheltova@homecredit.ru

WWW.HOMECREDIT.NET

